ENDEAVOUR MINING CAPITAL CORP.

First Quarter Report
November 30, 2003

(Expressed in United States Dollars)

ENDEAVOUR MINING CAPITAL CORP.

Management's Discussion and Analysis of
Results of Operations and Financial Condition
First Quarter Report – November 30, 2003

Introduction

This discussion and analysis should be read in conjunction with the financial information included in the unaudited consolidated financial statements. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The functional currency of the business is the United States Dollar. All monetary values are expressed in United States Dollars, unless otherwise indicated.

Endeavour Mining Capital Corp. ("Endeavour" or "Corporation") is a mining merchant banking company. It seeks to generate superior earnings by originating and investing in mining transactions and companies where it uses the experience of its management and directors to add value. Types of transactions undertaken include equity investments, equity linked investments and debt financing. The Corporation actively manages its investment capital base and earnings are generated through capital appreciation, fees, and interest.

First quarter highlights

- Net income of $26.9 million or $1.54 per share
- Shares graduated to the Toronto Stock Exchange
- Dividend policy adopted by the Board of Directors
- Completed a CDN$25 million equity financing

Results from Operations

During the three month period ended November 30, 2003, net investment income totaled $32.5 million which compares to a net investment loss of $3.6 million during the three month period ended November 30, 2002. The dramatic increase in the investment income earned is attributable to the continued effective implementation of the merchant banking business plan, an expanded investment capital base that facilitated larger capital commitments, and an overall strengthening of the mining finance markets primarily driven by rising metal prices. The three month period ended November 30, 2002 was a period of weak market conditions in the mining sector.

Endeavour employs an operating style that has shown tremendous results and allows it to add value quickly and efficiently. The Corporation offers a unique combination of financial and intellectual capital to help build companies and generate shareholder value. It invests in companies with the potential for significant future growth with aggressive management teams either in-place or brought in as part of the transaction. During the first quarter, the Corporation's historic merchant banking investments continued to perform well and several of its new investments have started to create shareholder value. Notable among these are Oxus Gold plc which has just achieved its first gold pour at the Amantaytau gold mine, Glencairn Gold which is advancing its Bellavista gold project, plus several other early-stage investments.

Endeavour operates in a highly competitive financial marketplace that demands the utmost discretion and confidentiality. Accordingly, our practice is not to disclose sensitive details regarding individual transactions. This practice has been carefully considered with the primary objective of maximizing our potential returns by limiting the possibility of adverse market impacts caused by inopportune disclosure.

The Corporation relies on the investment advisor for new business recommendations, analytical support and guidance for the optimal realization of existing investments. As such, the Corporation has a material agreement with the investment advisor that defines the services to be rendered and the compensation due.

The investment advisory agreement has a term of 3 years to August 31, 2005 and the agreement is renewable by mutual consent. The investment advisor is due an investment advisory fee, calculated as 1/12th of 2% on the first $50 million of net assets, 1.5% on the next $50 million of net assets, and 1% on net assets in excess of $100 million payable monthly. The investment advisor also receives an annualized performance fee of 20% of the Corporation's net income from operations in excess of a 15% return on the weighted average Shareholders' Equity during the fiscal period.

The Corporation generated net income of $26.9 million (or $1.54 per share) over the three month period ended November 30, 2003 as compared to a net loss of $4.0 million (or $0.26 per share) during the three month period ended November 30, 2002. As a result of restructuring arising from the business combination with Welcome in September 2002, including rationalization of their investments and weak market conditions during the period, the Corporation anticipated reduced earnings during the quarter ended November 30, 2002.

During the three month period ended November 30, 2003, the investment advisor received an investment advisory fee totaling $0.3 million and a performance fee of $5.0 million was accrued. During the comparative three month period ended November 30, 2002, the investment advisor received an investment advisory fee totaling $0.1 million and no performance fee was accrued. The increase in the investment advisory fee paid to the investment advisor is a direct result of the growth of the net assets of the Corporation. The accrued performance fee of $5.0 million during the current period is the result of the significant net income generated during the period. The combined investment advisory fee and performance fee accrued of $5.3 million represent the significant expenses incurred during the three month period ended November 30, 2003. Other operating expenses decreased in aggregate by $0.1 million during the three month period ended November 30, 2003. General office and administration costs increased $0.1 million as a result of increased overhead and costs associated with being a publicly traded company. Professional fees decreased $0.2 million as a result of higher fees in the November 30, 2002 comparative period associated with the Welcome Opportunities Ltd. business combination.

Liquidity and Capital Resources

At November 30, 2003 the Corporation held assets totalling $94.0 million comprised mainly of investments (80%) and cash and cash equivalents (20%) compared to assets held at August 31,2003 of $46.5 million comprised mainly of investments (87%) and cash and cash equivalents (13%).

The liabilities of the Corporation totalled $7.0 million as of November 30, 2003 of which $5.0 million was the performance fee accrual, $1.8 million was unsettled trades, $0.1 million was payable to the investment advisor, and $0.1 million was for other accrued expenses. At August 31, 2003 total liabilities were $4.8 million of which $3.5 million was payable to the investment advisor, $1.0 million was an unsettled trade and $0.3 million was for other accrued expenses. The Corporation had adequate cash resources as at November 30, 2003 and August 31, 2003 to settle the liabilities.

The increase of $45.3 million in Shareholders' Equity in the Corporation to $87.0 million at November 30, 2003 from $41.7 million as at August 31, 2003 is attributable to operations that generated $26.9 million of net income or 60% of the increase, and net financing activities that generated $18.4 million in Shareholders' Equity or 40% of the increase.

During the quarter the Corporation received net proceeds of CDN$23.5 million ($18.1 million) from a private placement of 7.25 million units at CDN$3.45 per unit. Each unit is exercisable, for no additional consideration, into one common share and one- half of a common share purchase warrant of Endeavour. Each whole common share purchase warrant will entitle its holder to acquire one common share of Endeavour at a price of CDN$5.50 per common share on or before November 10, 2008. The net proceeds from this financing are being used to make additional investments in the mining sector. Coincident with this financing, the Corporation's shares were listed on the Toronto Stock Exchange, the world's premier mining exchange.

The Corporation issued 190,000 shares for cash consideration of US$0.3 million during the quarter as a result of stock options being exercised. A further 87,710 shares were issued to settle the liability due to Contingent Value Rights holders.

On December 1, 2003, the Corporation issued 100,000 stock options to an independent director. The options are exercisable into common shares at a price of CDN$4.20 per share expiring December 1, 2008.

Outlook

The Corporation will continue with its strategy of originating and investing in potentially high-return merchant banking and investment transactions focused on the mining industry.

At the present time, the Corporation is experiencing the benefits of its business strategy and the continued strength of metal prices. While earnings volatility should be anticipated, management believes that its superior deal flow and access to potentially high return transactions will result in the continued growth of the Corporation's investment capital base.

The Board has voiced its confidence in the Corporation's business strategy and long-term earnings outlook by endorsing a dividend policy that will pay a semi-annual dividend of CDN$0.035 per share commencing in February 2004. In combination with our TSX Listing, we believe this policy will help us broaden and strengthen our shareholder base.

ENDEAVOUR MINING CAPITAL CORP.
Consolidated Balance Sheets
(Expressed in United States Dollars)

	November 30, 2003 Unaudited	August 31, 2003
ASSETS		
Cash and cash equivalents	$ 18,941,417	$ 5,840,737
Investments (cost: Nov/03 - $29,403,598, Aug/03 - $21,521,557) (Note 2)	74,873,902	40,599,598
Receivables and other assets	274,646	62,078
	$ 94,089,965	$ 46,502,413
LIABILITIES		
Investment advisor fees payable	$ 136,034	$ 75,415
Performance fees accrued	5,001,204	3,437,313
Accrued expenses and other liabilities	1,929,307	1,253,396
	7,066,545	4,766,124
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	51,759,977	33,623,561
Warrants (Note 3)	240,234	-
Contributed surplus (Note 3)	83,844	83,844
Retained earnings	34,939,365	8,003,203
Currency translation reserve	-	25,681
	87,023,420	41,736,289
	$ 94,089,965	$ 46,502,413

Approved by the Board:

_________________ Director _________________ Director

The accompanying notes are an integral part of these unaudited consolidated financial statements

ENDEAVOUR MINING CAPITAL CORP.
Consolidated Statements of Operations & Accumulated Earnings (Deficit)
(Unaudited)
(Expressed in United States Dollars)

	Three months ended November 30, 2003	Three months ended November 30, 2002
INVESTMENT INCOME		
Net realized gain on investments	$ 5,864,307	$ 1,069,945
Change in net unrealized appreciation (depreciation) of investments and foreign currencies	26,608,766	(4,963,722)
Interest	19,039	96,180
Dividends, net of withholding taxes	-	8,770
Loan facility fees	-	175,000
	32,492,112	(3,613,827)
EXPENSES		
Performance fee accrual	5,001,204	-
Investment advisory fee	311,386	106,153
General office and administrative	200,026	114,906
Professional fees	43,334	181,892
	5,555,950	402,951
NET INCOME (LOSS)	26,936,162	(4,016,778)
ACCUMULATED EARNINGS (DEFICIT), BEGINNING OF PERIOD	8,003,203	(9,405,963)
ACCUMULATED EARNINGS (DEFICIT), END OF PERIOD	$ 34,939,365	$ (13,422,741)
BASIC EARNINGS (LOSS) PER SHARE	$ 1.54	$ (0.26)
DILUTED EARNINGS (LOSS) PER SHARE	$ 1.54	$ (0.26)
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING	17,445,945	15,576,201
DILUTED WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING	17,531,925	16,251,201

The accompanying notes are an integral part of these unaudited consolidated financial statements

ENDEAVOUR MINING CAPITAL CORP.
Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in United States Dollars)

	Three months ended November 30, 2003	Three months ended November 30, 2002
OPERATING ACTIVITIES		
Net income (loss)	$ 26,936,162	$ (4,016,778)
Items not affecting cash:		
Non-cash stock-based compensation (Note 3 (b))	-	20,961
Adjustments to reconcile net income to net cash (used in) provided by operating activities (net of effects of acquisition of Welcome Opportunities Ltd.) :		
Net realized gain on investments	(5,864,307)	(1,069,945)
Change in net unrealized (appreciation) depreciation of investments and foreign currencies	(26,608,766)	4,963,722
Increase in receivables and other assets	(212,568)	(173,985)
Increase (decrease) in investment advisor fees payable	60,619	(4,303)
Increase (decrease) in accrued performance fees	1,563,891	(2,032,195)
Increase (decrease) in accrued expenses and other liabilities	675,911	(305,525)
Purchase of investments	(18,983,982)	(6,203,655)
Sale of investments	17,157,070	6,456,710
	(5,275,970)	(2,364,993)
INVESTING ACTIVITIES		
Deferred acquisition costs	-	30,000
Cash acquired on the acquisition of Welcome Opportunities Ltd.	-	1,962,042
	-	1,992,042
FINANCING ACTIVITY		
Received from the issue of common shares (Note 3 (a))	19,626,226	-
Share issue costs (Note 3 (a))	(1,249,576)	-
Paid on redemption of shares	-	(5,000,000)
	18,376,650	(5,000,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,100,680	(5,372,951)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,840,737	8,545,482
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 18,941,417	$ 3,172,531

The accompanying notes are an integral part of these unaudited consolidated financial statements

ENDEAVOUR MINING CAPITAL CORP.
Notes to the Consolidated Financial Statements
November 30, 2003 and 2002
(Unaudited)
(Expressed in United States Dollars)

1. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and they follow the same accounting policies and methods of application as the audited consolidated financial statements of Endeavour Mining Capital Corp. (the "Corporation") for the year ended August 31, 2003. These unaudited interim consolidated financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited consolidated financial statements and the notes below.

2. INVESTMENTS

Investments are comprised of the following:

	November 30, 2003		August 31, 2003	
Investments by location	**Value**	**% of Investments**	Value	% of Investments
Equities:				
North America *	**$ 16,198,110**	**21.63%**	$ 7,353,573	18.11%
South America	**22,430,877**	**29.96%**	13,684,095	33.71%
Europe and Asia	**15,784,569**	**21.08%**	6,712,856	16.53%
Africa	**3,584,966**	**4.79%**	4,632,729	11.41%
Oceania	**2,514,743**	**3.36%**	1,640,796	4.04%
Total equities	**60,513,265**	**80.82%**	34,024,049	83.80%
Convertible Loans and Debentures				
North America	**1,053,348**	**1.41%**	458,325	1.13%
South America	**1,537,693**	**2.05%**	1,000,000	2.46%
Total Convertible Loans and Debentures	**2,591,041**	**3.46%**	1,458,325	3.59%
Warrants				
North America	**1,328,077**	**1.77%**	822,332	2.02%
South America	**5,818,960**	**7.77%**	2,186,346	5.39%
Europe and Asia	**2,951,382**	**3.94%**	884,113	2.18%
Africa	**1,238,751**	**1.66%**	1,089,096	2.69%
Oceania	**432,426**	**0.58%**	135,337	0.33%
Total Warrants	**11,769,596**	**15.72%**	5,117,224	12.61%
Total Investment Portfolio	**$ 74,873,902**	**100.00%**	$ 40,599,598	100.00%

(Expressed in United States Dollars)

2. INVESTMENTS (continued)

Consistent with the Corporation's merchant banking business plan, the Corporation appoints directors to some of the companies in which it invests.

The market value of investments in companies for which the Corporation has directors in common totaled $48,866,000 at November 30, 2003 (August 31, 2003 - $18,678,000).

* Included in equities are written covered call options. As at November 30, 2003, the market value of these options totaled $518,110 (August 31, 2003 - $96,460).

3. SHARE CAPITAL

(a) Voting shares

Authorized
100,000,000 voting shares of $0.01 par value
100,000,000 undesignated shares

	Three months ended November 30, 2003		Year ended August 31, 2003	
	Number of Shares	**Amount**	**Number of Shares**	**Amount**
Issued				
Opening balance	15,592,868	$ 33,623,561	13,028,129	$ 29,411,370
Issued, for cash	7,250,000	19,070,990	-	-
Share issue costs	-	(1,489,810)	-	-
Contingent Value Rights exercised	87,710	234,778	-	-
Stock options exercised for cash	190,000	320,458	-	-
Issued in connection with acquisition of Welcome	-	-	4,466,748	7,140,172
Issued, for shares	-	-	1,348,966	2,072,019
Redeemed, for cash	-	-	(3,250,975)	(5,000,000)
Closing balance	23,120,578	$ 51,759,977	15,592,868	$ 33,623,561

In November, 2003, the Corporation completed a unit private placement consisting of 7,250,000 units at a price of CDN$3.45 per unit for gross proceeds of CDN$25,012,500; (US$19,070,990). Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of CDN$5.50 per share on or before November 10, 2008. As part of this offering, the Corporation paid the agent a commission equal to 6% of the gross proceeds raised,

(Expressed in United States Dollars)

3. SHARE CAPITAL (continued)

(a) *Voting shares (continued)*

and issued the agent 362,500 warrants exercisable into common shares at a price of CDN$4.50 per share expiring November 10, 2005. The fair value of the warrants was $240,234.

(b) *Stock option plan*

The Corporation has established a stock option plan whereby the Corporation's directors may from time to time grant options to directors, employees or consultants. The maximum term of any option is five years, but generally options are granted for five years or less. The exercise price of an option is not less than the closing price on the exchange on the last trading day preceding the grant date. 1,576,286 options were available for grant under the plan at November 30, 2003. (August 31, 2003 - 1,559,000)

In accordance with Corporation's stock option plan, the Corporation issued 100,000 stock options to a director during the three months ended November 30, 2003. The stock options are exercisable into common shares at a price of CDN$4.20 per share expiring November 6, 2008.

A summary of the changes in stock options is presented below:

	Options outstanding	Weighted average exercise price (CDN$)
At September 1, 2002	-	$ -
Granted	675,000	2.44
Exercised	-	-
Expired	(100,000)	2.30
At August 31, 2003	575,000	$ 2.46
Granted	100,000	3.50
Exercised	(190,000)	2.30
Expired	(10,000)	2.30
At November 30, 2003	475,000	$ 2.75

(Expressed in United States Dollars)

3. SHARE CAPITAL (continued)

(b) Stock option plan (continued)

The following tables summarize information about the options and warrants outstanding as at November 30, 2003:

	Options outstanding	Weighted average exercise price (CDN$)	Weighted average remaining contractual life
	200,000	$ 2.30	0.04 years
	375,000	2.55	4.02 years
At August 31, 2003	575,000	$ 2.46	2.64 years
	375,000	2.55	3.78 years
	100,000	3.50	4.93 years
At November 30, 2003	475,000	$ 2.75	4.02 years

	Warrants outstanding	Weighted average exercise price (CDN$)	Weighted average remaining contractual life
	362,500	$ 4.50	1.95 years
	3,625,000	5.50	4.95 years
At November 30, 2003	3,987,500	$ 5.41	4.68 years

At August 31, 2003, no warrants were issued or outstanding.

(Expressed in United States Dollars)

3. SHARE CAPITAL (continued)

(b) Stock option plan (continued)

Pro forma compensation expense

If the Corporation had included stock options granted to directors in the calculation of compensation expense, net earnings would be as follows:

		Three months ended November 30, 2003		Three months ended November 30, 2002
Net income (loss) for the three months ended	$	26,936,162	$	(4,016,778)
Pro forma compensation expense related to directors' options		(150,145)		(150,926)
Pro forma income (loss) for the period	$	26,786,017	$	(4,167,704)
Pro forma basic earnings (loss) per share	$	1.54	$	(0.27)
Pro forma diluted earnings (loss) per share	$	1.53	$	(0.27)

Compensation expense is determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Corporation's share price of 61.2%, an annual risk free interest rate of 4.3% and expected lives of five years.

During the three-month period ended November 30, 2002, stock options with a fair value of $83,844 were granted to non-employees. The non-cash compensation was amortized over the one year life of the service contract. Accordingly during the period ended November 30, 2002, $20,961 of compensation expense has been recorded in the statement of operations as professional fees.

Subsequent to November 30, 2003, the Corporation issued 100,000 stock options to a director. The options are exercisable into common shares at a price of CDN$4.20 per share expiring December 1, 2008.

4. WELCOME OPPORTUNITIES LTD.

On October 31, 2003, Welcome Opportunities Ltd. ("WOL"), a wholly-owned subsidiary of the Corporation, redeemed 99.99% of its issued and outstanding shares. The aggregate consideration received was $463,671 in the form of cash and cash equivalents.

As at November 30, 2003, WOL has no assets or independent operations and has one issued common share outstanding which is held by the Corporation. The Corporation intends to perform a statutory wind up of WOL in the ensuing quarter.

5. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current period's presentation.